

Five Year Transportation Program

2006-2010



State Transportation Commission

November 17, 2005

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Presentation Objectives

- ❖ Present the FY 2006-2010 Five Year Transportation Program
- ❖ Highlight our Accomplishments
- ❖ Overview of how we are implementing the Transportation Commission's policies
- ❖ Identify revenues available to support the program and MDOT's investment strategy

Presentation Objectives

- ❖ Provide overview of major program emphasis areas
- ❖ Obtain Transportation Commission agreement to conduct listening sessions

Budgetary Reporting Requirements

Section 307 requires the Five Year program be provided to the Legislature, the state budget office, and the house and senate fiscal agencies before February 1st

Key Messages

- ❖ Multi-Modal Five Year Program
- ❖ First Five Year Program under SAFETEA-LU
- ❖ SAFETEA-LU provides more funding for Safety, CMAQ, Transit and Congressional earmarks
- ❖ Implements new Gubernatorial initiative
 - Jobs Today
- ❖ Invests **\$8.9 billion** over five years

Key Messages

- ❖ Focusing on system preservation, safety, and job creation
- ❖ Continues the course set by the Transportation Commission – implements approved goals and strategies
- ❖ Continues approach set forth by STC policies, the Michigan Aeronautics Commission, and Act 51 for our multi-modal programs
- ❖ Continues progress toward pavement and bridge goals
- ❖ Anticipate meeting the pavement condition goal with this five year program

FY 2006-2010 Transportation Program



Federal Revenue Assumptions

Highway Program

- SAFETEA-LU passed in August, 2005
- MDOT's share of federal aid for state trunkline program is **\$3.8 billion**
- Over the five years assuming 90% obligation authority
- **\$196 million** in congressionally earmarked MDOT highway projects.
- Project phases will be reinstated as a result of earmarks



Federal Revenue Assumptions

Multi-Modal Programs

- Supported by a number of program-specific state and federal revenue streams
- Each revenue stream is subject to a separate set of influences
- Large portion of the transit funding is not included in MDOT's program, however, toll credits will be made available to provide local match to capture federal funding



Federal Revenue Assumptions

❖ Aviation Program

- Continues funding under Vision 100

❖ Local Transit

- Moderate increases in federal transit funding provided for in SAFETEA-LU
- **\$9.2 million** High Priority Project bus replacement earmark to MDOT



Federal Revenue Assumptions

❖ Passenger Rail and Marine Programs

- Assumes FY 2006 federal funding levels continues through FY 2010

❖ Rail Freight

- Funding levels for the local grade crossing program based on SAFETEA-LU



State Revenue Assumptions

❖ Highway Program

- Total state revenue available over the five year time frame, including bond revenue, is estimated at **\$3.6 billion** for capital outlay and routine maintenance
- Consistent with previous five year plan revenue

❖ Aviation

- Slight decreases in state aviation revenue
- Funding from ASAP bonds included through December 2007 when bond authorization expires



State Revenue Assumptions

❖ Comprehensive Transportation Fund

- CTF supports Local Transit, Intercity Bus, Intercity Rail and Rail Freight
- Assumed the FY 2006 CTF appropriation levels continues through FY 2010

❖ Other State revenue assumptions

- Anticipated loan repayments to MirLAP
- Continuation of mandated state funding levels for local grade crossing program

State Revenue Assumptions

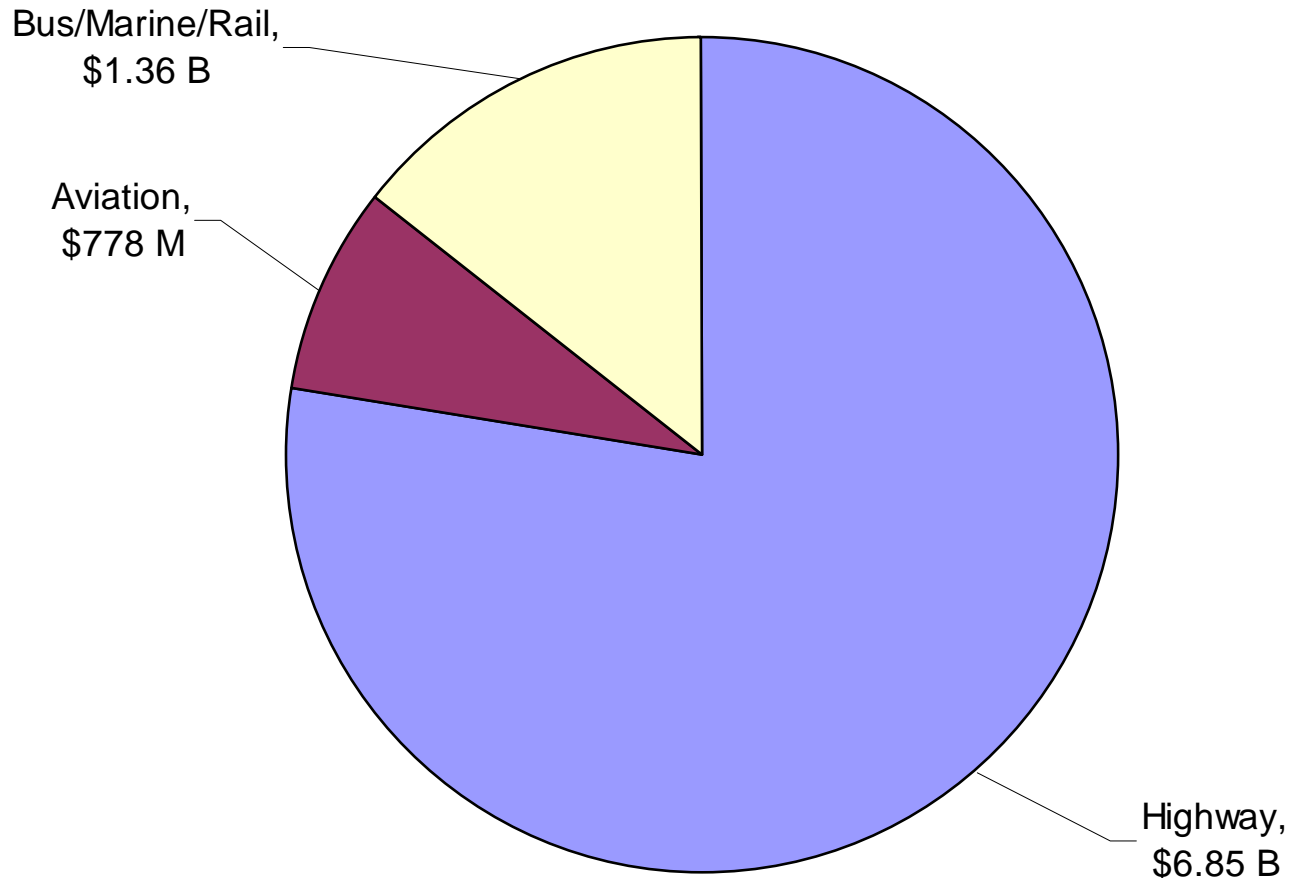
Highway Program Bonding

- ❖ Issuance of **\$260 million** in new bonds in 2006 to help fund Preserve First and reinstated capacity projects
- ❖ **\$600 million** in additional bonding in the form of GARVEE notes to support funding for the Governor's Jobs Today Initiative and SAFETEA-LU earmarks

Total Transportation Program Revenue

Transportation Program revenues totals

\$9.0 billion



FY 2006-2010 Program Strategy

- ❖ Provide a safe and secure transportation system
- ❖ Make government effective, efficient and inclusive
- ❖ Provide economic development opportunities
- ❖ Continues preservation focus

FY 2006-2010 Program Strategy

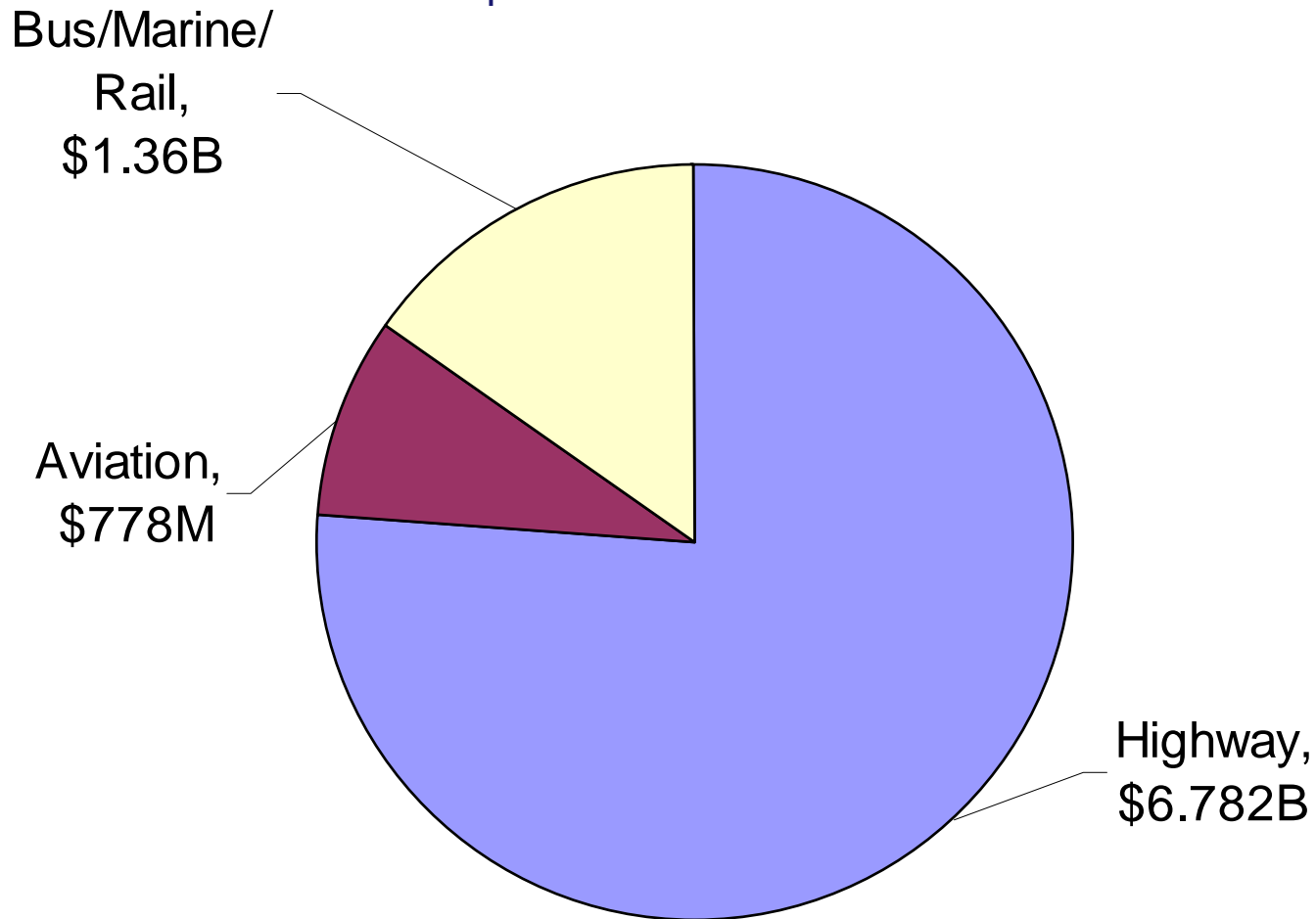
❖ Multi-Modal Program Critical Factors

- Project level investment decisions largely made outside of MDOT
- Funding levels subject to significant annual influences
- Project investment decisions generally made annually

❖ Due to these factors, the five year multi-modal program is program-level, not project-level

MDOT's Transportation Programs

Transportation Program investment totals \$8.92 billion



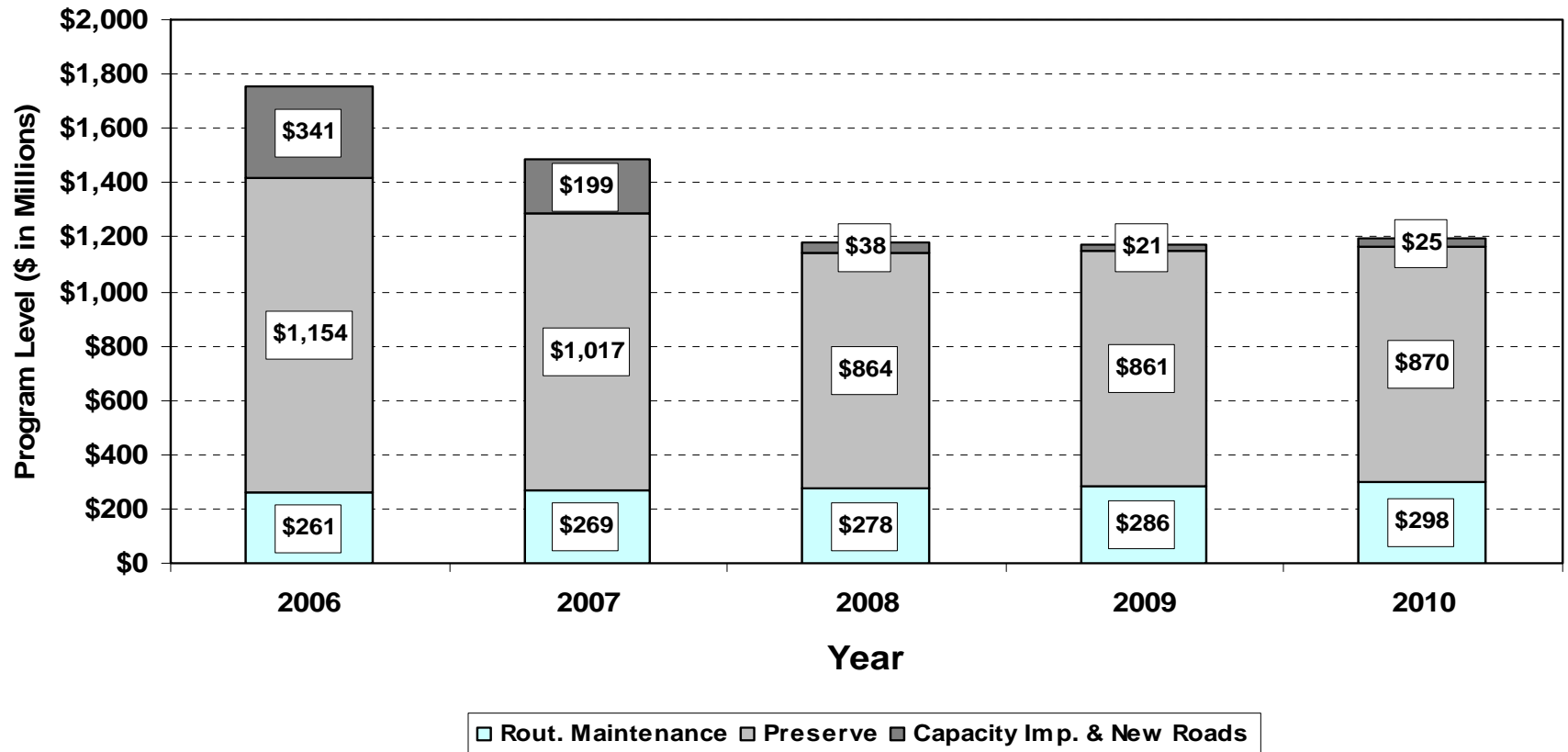
Positive influences on Michigan's economy

2006 – 2010 Investment Plan Highway Program

Highway Program	Annual Average	5YP Total
❖ Repair & Rebuild Roads	\$542 M	\$2.107B
❖ Repair & Rebuild Bridges	\$192 M	\$959 M
❖ Capacity Improvements/ New Roads	\$125 M	\$624 M
❖ Safety	\$60 M	\$300 M
❖ Congestion Mitigation and Air Quality	\$30 M	\$150 M
❖ ITS	\$12 M	\$61M
❖ Other	\$118 M	\$587 M
❖ Routine Maintenance	\$278 M	\$1.391B
❖ TOTAL	\$1.356 B	\$6.782 B

Highway Investment

**FY2006 to FY2010
Five Year Highway Program
with Jobs Today & Congressional Earmarks**



2006 – 2010 Investment Plan

Multi-Modal Programs

Multi-Modal Program	Annual Avg.	5YP Total
❖ Airport Improvement Program	\$154 M	\$769 M
❖ Air Service and All Weather Access	\$1.74 M	\$8.7 M
❖ Total Aviation	\$155.74 M	\$777.7 M
❖ Total Bus, Marine, Rail	\$272 M	\$1.360 B
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❖ TOTAL Multi-Modal	\$428 M	\$2.138 B

Supporting Economic Opportunities

Jobs Today Initiative- **\$418 million**

- Creates employment opportunities and stimulates the economy over the next three years
- This initiative will create approximately 7,500 of the estimated 110,000 jobs created by the 2006-2010 Highway Program
- Accelerates previous work or adds new work in 2006 and 2007

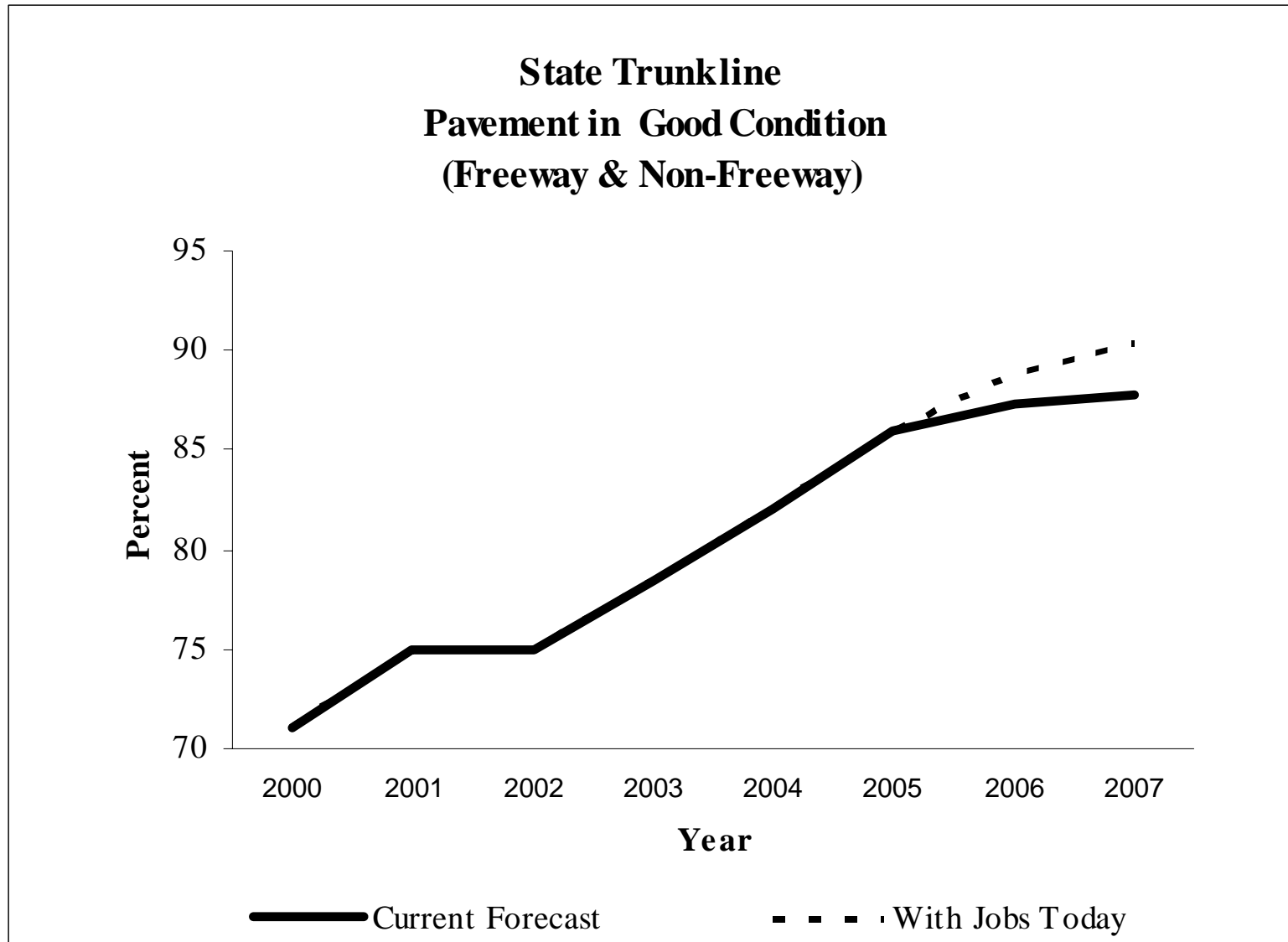


Supporting Economic Opportunities

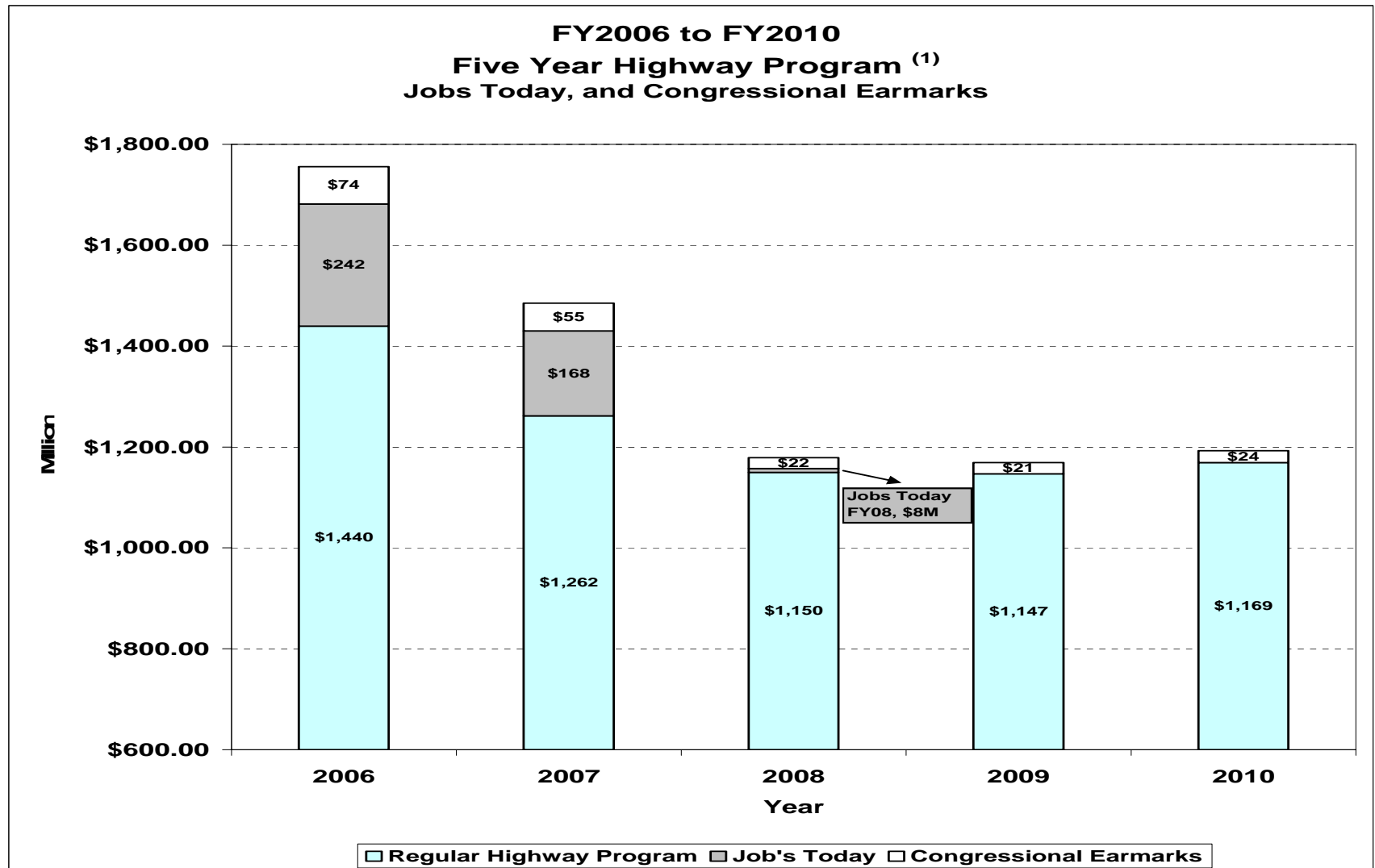
❖ Jobs Today Initiative (Continued)

- **\$418** million in trunkline investments:
 - ❖ **\$267** million MDOT's state trunkline pavement condition goals for road and bridge preservation
 - ❖ **\$151** million for capacity improvement
 - ❖ 145 projects improving:
 - 600 miles of pavement
 - 42 bridges
 - Addressing 6 capacity deficiencies
- Enables continued progress toward achieving our system preservation goals

Effects of Jobs Today on the Highway Program



Jobs Today and Congressional Earmarks



Note: (1) MDOT Highway Capital Program investment includes routine maintenance

Providing a Safe and Secure Transportation System

- ❖ Railroad Grade Crossing Safety Improvements
- ❖ Expanded Comprehensive Highway Safety Program
- ❖ All Weather Airport Access Program



Preserving the System

- ❖ Preserving and maintaining roads and bridges accounts for **\$1.0** billion of the Highway Program annually
 - Annually improve approximately 345 miles of roads
 - Over 300 bridges repaired a year
 - Managing 1,500 miles of good/fair roads with CPM Program

Preserving the System

- ❖ Utilizing a mix of fixes to effectively manage the system
- ❖ Roughly half of the **\$462M** Capacity Improvement Program preserves pavement adjacent to new lanes

Preserving the System

- ❖ Anticipate reaching the combined freeway/non-freeway pavement goal of 90% good by 2007
- ❖ Still making progress toward the combined freeway/non-freeway bridge condition goal.
- ❖ Future Workshop to determine direction of investment strategy

Preserving the System

- ❖ Safety Program - **\$300 million**
- ❖
- ❖ Congestion Mitigation and Air Quality Program (CMAQ)-**\$150 million**
- ❖ Intelligent Transportation System Program (ITS) – **\$61 million**
- ❖ Transportation Enhancement Program - **\$93 million**
- ❖ Other Programs (TEDF, State Programs, Federal Programs) - **\$494 million**



Preserving the System

❖ Preserve First Program continues through 2007

- Places increased emphasis on preserving our transportation system
- Allows us to improve the condition of our roads and bridges
- Provides approximately **\$246 million** in additional road and bridge preservation work in 2006 and 2007
- Additional **\$36 million** directed to Safety, Enhancement and Noise Abatement Programs in 2006 and 2007

Preserving the System

❖ Aviation- **\$778 million**

- Runway rehabilitation

❖ Bus/Marine/Rail- **\$1.36 billion**

- Bus replacement
- Public transportation operating assistance to maintain existing service levels
- Railroad track R&R
- Operating support for port development (DWCPA)
- Capital support for ferry operations



Expanding the System

- ❖ TEDF Program supports economic development opportunities
- ❖ Investment in highway capacity improvements and new roads
- ❖ Facility Improvements – Intermodal stations and Airport terminals
- ❖ Michigan Rail Loan Assistance Program



Next Steps

- ❖ Begin review and incorporate Commission comments
- ❖ Post to website
- ❖ Conduct listening sessions
- ❖ Summarize comments from public
- ❖ Return for approval

Action Needed Today

- ❖ Request permission to conduct listening sessions22



Questions?